

Calculations of Individual Income Tax

Calculation of Montana individual income tax begins with the taxpayer's Federal Adjusted Gross Income. Several adjustments are made to determine Montana Adjusted Gross Income:

- Income taxed by the state but exempted by the federal government is added,
- Income exempted by the state but taxed by the federal government is subtracted,
- Deposits to Montana tax-advantaged savings accounts are subtracted,
- Taxable withdrawals from Montana tax-advantaged savings accounts are added,
- Net adjustments from filing a joint federal return and separate state returns are added, and
- Recoveries of costs deducted in previous years (primarily refunds of federal taxes previously deducted) are subtracted.

EXHIBIT
DATE 3/18/13
No. 532

The values of the taxpayer's exemptions and either itemized or standard deductions are subtracted to determine Montana Taxable Income. The value of exemptions and maximum and minimum standard deductions are adjusted for inflation each year:

Personal Income Tax Exemptions and Deductions					
Year	Exemption Amount	Single and Separate Returns		Joint Returns	
		Min. Standard Deduction	Max. Standard Deduction	Min. Standard Deduction	Max. Standard Deduction
TY 2008	\$2,110	\$1,750	\$3,950	\$3,500	\$7,900
TY 2009	\$2,110	\$1,750	\$3,950	\$3,500	\$7,900
TY 2010	\$2,130	\$1,770	\$3,990	\$3,540	\$7,980
TY 2011	\$2,190	\$1,820	\$4,110	\$3,640	\$8,220
TY 2012	\$2,240	\$1,860	\$4,200	\$3,720	\$8,400

Tax liability is calculated from the rate table. The rate table is adjusted for inflation each year:

Marginal Tax Rate Structure					
Year	TY 2008	TY 2009	TY 2010	TY 2011	TY 2012
1% of the first	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,700	\$ 2,700
2% of the next	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
3% of the next	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
4% of the next	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
5% of the next	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
6% of the next	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
6.9% of remaining	NA	NA	NA	NA	NA

Marginal Tax Rate Income Limits					
Year	TY 2008	TY 2009	TY 2010	TY 2011	TY 2012
1.0%	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,700	\$ 2,700
2.0%	\$ 4,000	\$ 4,500	\$ 4,500	\$ 4,700	\$ 4,700
3.0%	\$ 6,000	\$ 6,900	\$ 6,900	\$ 7,200	\$ 7,200
4.0%	\$ 8,500	\$ 9,300	\$ 9,300	\$ 9,700	\$ 9,900
5.0%	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,500	\$ 12,500
6.0%	\$ 15,600	\$ 15,400	\$ 15,600	\$ 16,000	\$ 16,400
6.9%	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

Any credits the taxpayer may claim are subtracted from the tax liability to give the net tax.

- Taxpayers with capital gains income are allowed a credit equal to two percent of their capital gains. In effect, this taxes capital gains at a lower rate than other income.
- Other credits generally are a percentage of a certain type of qualifying expenditure the taxpayer has made.

Income, Deductions, Credits, and Tax Liability

The next six tables show information about individual line items on full year residents' income tax returns for 2010 and 2011. For each line item, the table shows the count of the number of returns with a value on that line and the sum of those values.

Montana Individual Income Tax Income Reported on Full Year Residents Returns 2010 and 2011				
Income Items	2010		2011	
	Count	Total	Count	Total
Wage and salary income	421,463	13,389,961,904	423,456	13,995,864,062
Taxable interest income	240,816	442,982,605	225,949	376,776,615
Ordinary dividend income	119,123	504,422,291	117,392	465,229,931
Taxable refunds of state/local income taxes	96,094	98,658,563	101,375	93,414,687
Alimony received	841	13,600,236	853	14,061,191
Business income (Schedule C)	77,115	690,830,410	76,742	702,186,969
Capital gains income	100,817	992,631,808	104,234	1,015,745,318
Supplemental gains income	15,454	42,063,648	15,606	41,883,741
IRA distributions - Taxable amt	47,190	548,647,754	49,255	592,390,356
Pension and annuity income - Taxable amt	95,294	1,658,178,065	96,945	1,752,608,148
Rent, royalty, partnership, etc. income	97,166	1,823,262,638	99,493	2,075,865,357
Farm income	19,293	-145,068,389	19,031	-127,273,409
Unemployment compensation	49,163	273,285,163	42,763	192,982,355
Social Security Benefits*	109,426	2,555,665,116	112,747	1,772,577,379
Taxable social security benefits	67,920	603,827,076	71,557	651,771,496
Other income	<u>46,097</u>	<u>-408,809,713</u>	<u>45,029</u>	<u>-511,295,537</u>
Total income	530,507	20,528,474,059	534,102	21,332,211,280
* Indented items either are part of another line or include another line. They are not part of the total.				
Federal Adjustments to Income				
Educator expenses	11,028	3,786,558	11,264	2,648,529
Business expenses	617	1,616,008	651	1,816,393
Health Savings Account deduction	7,345	21,882,122	8,108	24,675,845
Moving expenses	2,791	4,265,332	3,105	4,732,783
One-half self-employment tax	59,722	69,819,591	61,796	76,908,913
Self-employed SEP, SIMPLE, and qual. plans	2,721	43,089,605	2,709	42,298,279
Self-employed health insurance deduction	22,532	110,816,477	22,587	116,579,020
Penalty on early withdrawal of savings	3,845	701,262	3,517	592,044
Alimony paid	1,143	14,315,593	1,162	15,690,176
IRA deduction	14,573	53,329,887	14,530	54,281,327
Student loan interest deduction	45,288	34,202,184	45,162	36,245,983
Tuition & fees deduction	5,601	11,733,181	5,870	12,398,266
Domestic production activities deduction	6,596	43,123,307	6,743	43,533,192
Federal write-ins	<u>316</u>	<u>4,462,208</u>	<u>357</u>	<u>2,343,863</u>
Total adjustments to income	139,614	417,143,315	140,434	434,744,613
Federal Adjusted Gross Income	530,550	20,111,330,744	534,142	20,897,466,667

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Income Reported on Full Year Residents Returns 2010 and 2011

	2010		2011	
	Count	Total	Count	Total
Montana Additions to Federal Adjusted Gross Income				
Interest on other states' municipal bonds	18,034	114,983,672	18,327	102,910,306
Dividends not included in FAGI	429	1,336,567	343	1,016,687
Taxable federal refunds	87,977	126,671,602	81,226	111,495,115
Recoveries of amounts deducted in earlier years	560	1,297,408	207	449,680
Additions to federal taxable social security or railroad retirement	7,724	12,238,467	7,677	11,813,870
Allocation of compensation to spouse	500	7,780,635	511	8,361,792
Medical savings account nonqualified withdrawals	82	101,799	98	121,307
First-time homebuyer's account nonqualified withdrawals	<10	13,722	<10	12,589
Farm and ranch risk management account taxable distributions	<10	191	<10	10,576
Dependent care assistance credit adjustment	64	106,629	39	49,938
Smaller federal estate and trust taxable distributions	85	66,413	83	786,659
Federal net operating loss carryover	4,689	323,147,050	4,617	405,545,941
Federal taxes paid by your S. corporation	67	192,807	44	48,077
Title plant depreciation	11	16,290	<10	793
Group health premiums reimbursed by Insure Montana credit	1,051	6,032,688	813	4,207,414
Other additions	5,228	142,065,523	4,839	155,292,435
Total Montana Additions	114,737	736,051,463	108,232	802,123,179

Montana Individual Income Tax Income Reported on Full Year Residents Returns 2010 and 2011

	2010		2011	
	Count	Total	Count	Total
Montana Subtractions from Federal Adjusted Gross Income				
Federal bonds exempt interest	22,473	31,017,274	20,514	25,764,777
Exempt tribal income	7,252	200,800,212	7,175	290,700,359
Exempt unemployment compensation	48,182	268,585,687	42,763	192,982,355
Exempt worker's comp benefits	327	1,990,149	150	786,281
Capital gains from small business investment companies	55	148,811	40	95,032
State tax refunds included in federal AGI	102,810	103,291,864	108,024	97,908,499
Recoveries of amounts deducted in earlier years	145	223,591	23	145,508
Exempt active duty military salary	4,760	153,852,927	4,410	148,526,725
Nonresident exempt military income	117	4,739,141	120	4,212,397
Exempt life insurance premiums reimbursement (National Guard)	56	69,491	46	14,795
Exempt pension income	43,797	142,365,778	44,929	150,693,545
Elderly interest exclusion	70,510	40,226,852	70,622	36,798,111
Exempt retirement disability income (under age 65)	181	786,572	83	364,329
Exempt tip income	13,732	43,592,519	13,883	46,381,919
Exempt income of child taxed to parent	61	113,876	110	252,806
Exempt health insurance premiums taxed to employee	191	677,282	211	843,169
Student loan repayments taxed to health care professional	173	476,765	257	666,300
Medical care savings account exempt deposits	7,812	18,732,448	7,997	19,395,678
First-time homebuyer exempt savings account deposits	140	358,024	155	395,135
Family education savings account exempt deposits	2,760	6,547,256	2,798	6,528,702
Farm and ranch risk management accounts exempt deposits	<10	0	0	0
Subtraction to federal taxable social security/Tier 1 railroad retirement	33,973	125,569,526	35,183	133,165,545
Subtraction for federal taxable Tier II railroad retirement	3,006	37,812,494	3,007	38,836,218
Subtraction for spouse filing joint return: passive loss carryover	69	143,794	43	88,064
Subtraction for spouse filing joint return: capital loss adjustment	2,763	4,409,741	1,647	3,153,880
Allocation of compensation to spouse	504	7,903,312	530	8,523,680
Montana net operation loss carryover	4,362	308,241,632	4,255	390,379,263
40% capital gain exclusion on pre-1987 installment sales	319	1,155,423	49	123,493
Business expense of recycled material	124	204,911	108	266,011
Sales of land to beginning farmers	<10	5,956	<10	55,961
Larger federal estate and trust taxable distributions	95	190,390	151	383,119
Wage deduction reduced by federal targeted jobs credit	146	1,190,418	72	458,655
Certain gains recognized by liquidating corporation	117	794,177	<10	7,069
Other subtractions	4,620	164,001,056	4,773	165,965,197
Total Montana Subtractions	255,249	1,670,219,349	255,523	1,764,862,577

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Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Deductions Reported on Full Year Residents Returns 2010 and 2011

	2010		2011	
	Count	Total	Count	Total
Deductions				
Total medical expenses*	133,552	545,701,986	133,861	545,817,871
Deductible medical expenses	71,855	304,436,666	70,306	301,438,269
Medical insurance premiums not deducted elsewhere	102,983	353,880,862	103,615	364,569,523
Long-term care insurance premiums	13,471	27,300,594	13,475	33,985,594
Federal Income Tax				
Federal income tax withheld*	250,870	9,270,288,809	264,724	9,664,747,196
Federal income tax estimated payments*	47,104	530,290,626	47,233	582,210,945
Last year's federal income tax paid (e.g. with return)*	48,675	231,044,373	54,015	278,790,903
Federal income tax from previous years*	4,742	19,035,603	4,763	22,612,278
Total federal income tax deduction	279,100	1,015,360,042	291,483	1,132,026,533
State or Local Sales Tax*	n/a	n/a	433	446,177
Local income taxes	302	112,039	305	198,088
Real estate taxes	210,973	400,710,387	211,586	411,428,092
Personal property taxes	162,911	52,671,671	167,216	52,698,081
Other deductible taxes	27,639	10,298,211	25,435	9,209,030
Home mortgage interest	159,911	1,075,407,210	159,013	1,008,850,204
Unreported home mortgage interest	6,404	17,246,577	6,341	16,732,698
Unreported points	23,243	6,774,876	22,487	6,128,734
Qualified mortgage ins premiums	19,897	23,239,755	20,847	20,843,664
Investment interest	8,402	37,072,979	8,840	33,364,845
Contributions by cash or check	169,405	443,302,712	169,378	454,876,219
Contributions other than cash or check	71,377	59,815,976	72,985	64,804,361
Carryover of contributions from previous years	3,841	34,781,509	3,662	36,451,707
Child and dependent care expenses	833	1,468,425	851	1,607,286
Casualty and theft losses	499	4,921,842	659	9,738,044
Business Expenses				
Unreimbursed employee business expenses*	56,556	169,613,690	57,209	185,407,740
Other business expenses*	143,319	116,861,859	147,012	126,923,598
Total business expenses*	162,360	286,475,549	166,296	312,331,338
Net deductible unreimbursed business expenses	57,089	198,644,087	58,739	219,574,473
Political contributions	9,052	822,083	7,867	729,898
All other miscellaneous deductions not subject to 2% floor	2,126	7,634,906	2,701	5,625,034
Gambling losses	1,191	10,772,563	1,246	12,302,315
Total itemized deductions	310,090	4,086,694,686	318,088	4,197,628,869
Standard deductions	200,210	708,794,565	197,549	4,911,586,629
Total deductions	525,972	4,795,489,251	530,331	4,911,586,629

* Indented items either are part of another line or include another line. They are not part of the total.

Only receive if Fed's Grant

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Exemptions, Taxable Income, Tax, and Payments Reported on Full Year Residents Returns 2010 and 2011

	2010		2011	
	Count	Total	Count	Total
Exemptions *				
Self Exemption		493,735		497,933
Self 65 and Over Exemption		90,519		93,702
Self Blind Exemption		1,256		1,200
Total Taxpayer Exemptions	493,749	585,510	497,933	592,835
Spouse Exemption		184,292		183,860
Spouse 65 and Over Exemption		32,812		33,820
Spouse Blind Exemption		382		332
Total Spouse Exemptions	85,573	107,100	84,858	106,747
Dependent Exemptions	131,513	234,626	130,760	234,454
Total Exemptions	493,749	927,236	497,933	934,036
Value of Exemptions		2,060,760,090		2,132,354,820
Taxable Income				
Federal Adjusted Gross Income	530,550	20,111,330,744	534,142	20,897,466,667
+ Montana Additions	114,737	736,051,463	108,232	802,123,179
- Montana Subtractions	255,249	1,670,219,349	255,523	1,764,862,577
- Deductions	525,972	4,795,489,251	530,331	4,911,586,629
- Value of Exemptions	532,444	2,060,760,090	536,062	2,132,354,820
Montana Taxable Income = Fed. AGI w/ Adjustments	435,815	13,665,846,344	441,007	14,315,590,822
Tax from Tax Table	435,092	759,477,805	440,273	796,136,740
Capital Gains Credit	39,364	19,642,186	46,926	19,621,982
Tax before Credits & Adjustments	432,294	739,835,619	436,944	776,514,758
Tax on Lump Sum Distributions	41	10,565	42	6,980
Recapture of Credits Claimed Previously	18	47,148	18	44,518
Total Tax		739,893,332		776,566,256
Payments				
Montana income tax withheld from wages	415,554	616,475,936	419,642	650,148,991
Tax withheld from mineral royalties	2,654	3,072,891	2,753	3,759,669
Tax withheld by pass-through entities	138	136,693	126	255,697
Estimated tax payments	44,664	151,637,977	45,077	160,667,538
Extension payments	4,387	29,393,406	4,671	26,679,620
Total Payments		800,716,903		841,511,515

* Taxpayers claim exemptions for themselves and their spouses by checking boxes on the return. The counts for exemptions show the number of returns where the taxpayer claimed at least one exemption for themselves, their spouse, or dependents. The totals column shows the number and type of exemptions claimed. For the taxpayer and spouse, the totals column shows the numbers of basic exemptions and extra exemptions for being 65 or over or blind. Only the total number of taxpayer and spouse exemptions was recorded. For dependent exemptions, the count is the number of returns claiming at least one dependent, and the total is the number of dependents claimed.

Income, Deductions, Credits, and Tax Liability

Montana Individual Income Tax Credits Reported on Full Year Residents Returns 2010 and 2011

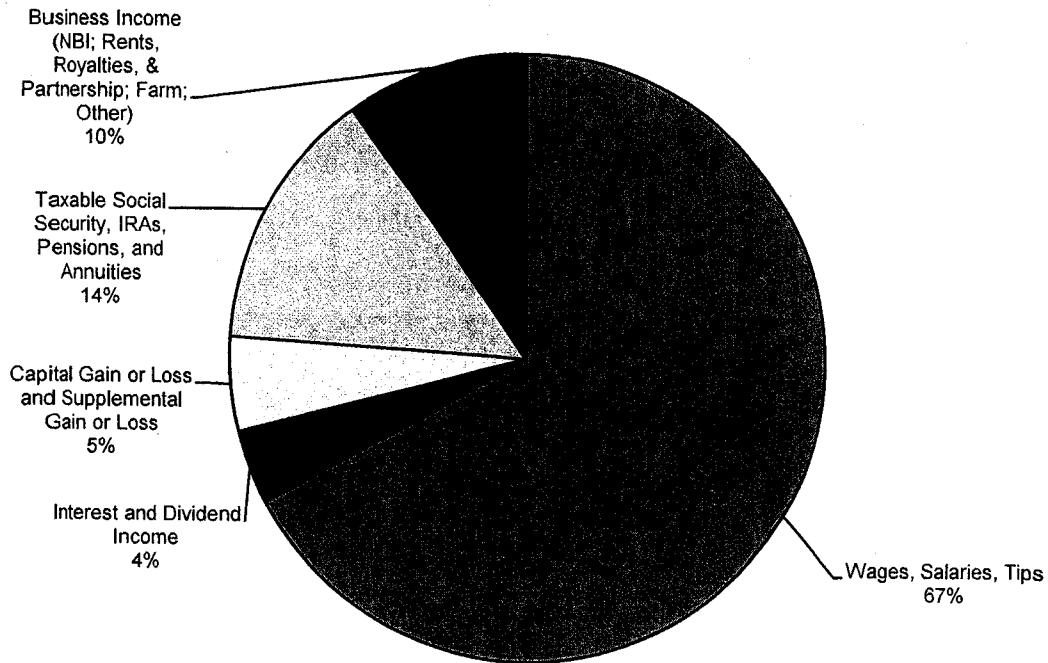
	2010		2011	
	Count	Total	Count	Total
Credits				
Non-Refundable and No Carryover Credits				
Other states' income tax credit	11,308	20,608,363	11,471	19,090,209
College contribution tax credit	2,900	253,119	2,840	238,141
Qualified endowment tax credit	612	1,737,766	577	1,755,033
Energy conservation tax credit	28,704	10,233,928	16,645	5,588,577
Alternative fuel tax credit	43	25,281	17	26,822
Rural physician's tax credit	14	51,712	0	0
Insurance for uninsured Montanans credit	349	276,066	262	192,670
Elderly care tax credit	53	75,912	52	77,468
Recycling tax credit	109	492,609	94	538,163
Oil seed crushing/biodiesel facility credit	0	0	<10	8,536
Biodiesel blending/storage tank credit	<10	907	<10	46,755
Non-Refundable but With Carryover Credits				
Contractor's gross receipts tax credit	584	3,887,979	636	4,426,212
Geothermal systems tax credit	290	453,992	241	318,928
Alternative energy systems credit	2,476	1,377,478	1,534	823,533
Alternative energy production tax credit	<10	11,360	<10	7,290
Dependent care assistance credit	<10	14,595	10	26,039
Historic property preservation tax credit	22	495,691	24	105,214
Infrastructure user fee credit	13	45,258	12	24,414
Empowerment zone credit	<10	600	<10	475
Research activities tax credit	17	149,977	<10	149,633
Mineral exploration tax credit	12	26,895	0	0
Film production employment tax credit	0	0	0	0
Adoption credit	324	322,517	289	274,849
Total Non-Refundable Credits	45,199	40,542,005	33,106	33,718,961
Refundable Credits				
Elderly homeowner/renter tax credit*	17,127	8,467,974	16,593	8,167,841
Film production employment tax credit	<10	11,480	<10	5,316
Film qualified expenditure tax credit	<10	17,217	<10	20,067
Insure MT small business health insurance credit	952	2,890,619	833	2,156,183
Emergency lodging credit	0	0	<10	863
Total Refundable Credits	18,080	11,387,290	17,429	10,350,270
Total Credits	81,807	73,350,621	65,928	62,934,220

* Credits claimed on tax returns. See the Property Tax section for credits claimed with no income tax return.

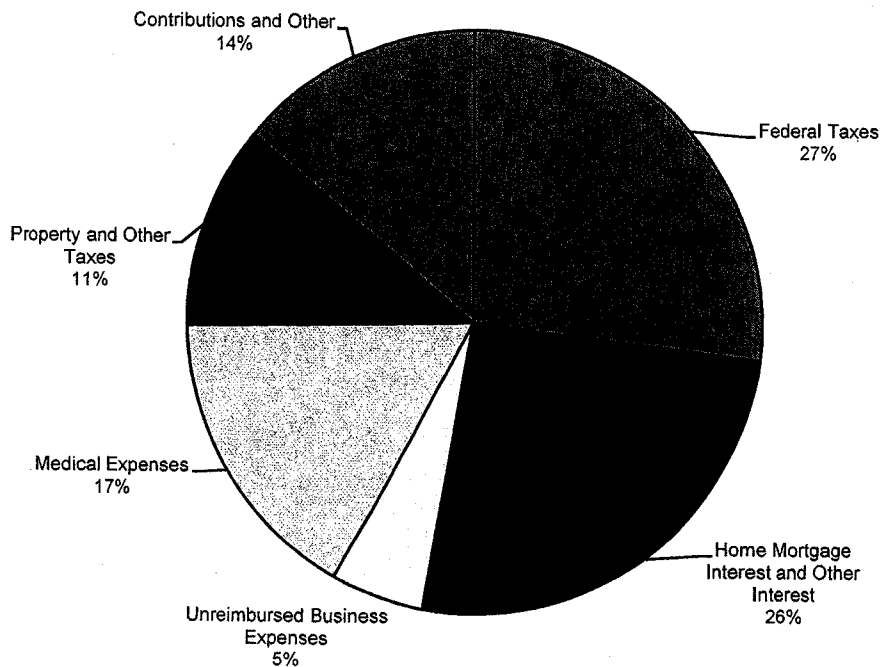
Some returned & some gone

Income, Deductions, Credits, and Tax Liability

Breakdown of Income Sources - Tax Year 2011



Breakdown of Itemized Deductions - Tax Year 2011



Income, Deductions, Credits, and Tax Liability

The following tables show Montana adjusted gross income, deductions, taxable income and tax liability by decile group for full year Montana residents only. Each decile is 10 percent of the population of full year resident returns, sorted by adjusted gross income. Group 1 is the 10 percent with the lowest incomes, while group 10 is the 10 percent with the highest incomes. In these tables, married couples who file separate returns on the same form are counted as two returns, and their income and tax is counted separately. Figures for non-residents and part-year residents would not be as useful as total income and the income that is apportioned to Montana varies widely for these individuals.

**Deciles of Montana Adjusted Gross Income
Full Year Residents
2010 and 2011**

Decile Group	2010				2011			
	Returns	Income Range	Montana Adjusted Gross Income		Returns	Income Range	Montana Adjusted Gross Income	
			\$ million	% of total			\$ million	% of total
1	53,253	less than \$3,229	-\$632.7	-3%	53,618	less than \$3,424	-\$722.8	-4%
2	53,254	\$3,229 to \$8,067	\$301.8	2%	53,618	\$3,424 to \$8,467	\$320.2	2%
3	53,254	\$8,068 to \$13,023	\$560.0	3%	53,618	\$8,468 to \$13,549	\$589.0	3%
4	53,253	\$13,024 to \$18,346	\$833.3	4%	53,618	\$13,550 to \$19,021	\$871.3	4%
5	53,254	\$18,347 to \$24,183	\$1,129.5	6%	53,618	\$19,022 to \$25,025	\$1,177.2	6%
6	53,254	\$24,184 to \$31,280	\$1,469.6	8%	53,618	\$25,026 to \$32,469	\$1,532.9	8%
7	53,253	\$31,281 to \$39,695	\$1,882.6	10%	53,618	\$32,470 to \$41,269	\$1,969.2	10%
8	53,254	\$39,696 to \$50,856	\$2,392.7	12%	53,618	\$41,270 to \$52,896	\$2,504.5	13%
9	53,254	\$50,857 to \$70,800	\$3,165.0	17%	53,618	\$52,897 to \$74,019	\$3,321.7	17%
10	53,254	more than \$70,800	\$8,075.4	42%	53,619	more than \$74,019	\$8,371.5	42%
All	532,537		\$19,177.2		536,181		\$19,934.7	

**Deductions by Decile Group
Full Year Residents
2010 and 2011**

2010						2011				
Decile Group	% Returns Itemize	Itemized Deductions		Standard Deductions		% Returns Itemize	Itemized Deductions		Standard Deductions	
		\$ million	average	\$ million	average		\$ million	average	\$ million	average
1	33%	\$152.0	\$8,558	\$77.8	\$2,191	34%	\$145.1	\$8,047	\$79.1	\$2,223
2	28%	\$92.4	\$6,167	\$79.0	\$2,064	28%	\$96.5	\$6,414	\$81.6	\$2,116
3	37%	\$133.4	\$6,717	\$82.1	\$2,457	38%	\$137.0	\$6,666	\$84.1	\$2,543
4	43%	\$174.5	\$7,573	\$97.6	\$3,229	43%	\$180.4	\$7,761	\$101.6	\$3,347
5	47%	\$208.5	\$8,329	\$113.4	\$4,017	48%	\$215.9	\$8,326	\$114.9	\$4,150
6	57%	\$269.8	\$8,851	\$100.8	\$4,427	60%	\$294.4	\$9,149	\$98.3	\$4,583
7	74%	\$415.6	\$10,506	\$71.3	\$5,206	77%	\$440.3	\$10,629	\$67.4	\$5,529
8	85%	\$566.6	\$12,453	\$47.7	\$6,156	86%	\$587.8	\$12,680	\$46.4	\$6,385
9	92%	\$740.3	\$15,153	\$28.2	\$6,417	92%	\$757.6	\$15,369	\$28.6	\$6,610
10	97%	\$1,333.5	\$25,894	\$11.0	\$6,288	97%	\$1,342.8	\$25,932	\$12.0	\$6,507
All	59%	\$4,086.7	\$11,607	\$708.8	\$3,282	60%	\$4,197.6	\$11,679	\$714.0	\$3,362

Income, Deductions, Credits, and Tax Liability

Deductions as Percent of Montana Adjusted Gross Income Full Year Residents 2010 and 2011

Decile Group	2010			2011		
	Itemized Deductions	Standard Deductions	All	Itemized Deductions	Standard Deductions	All
1	-30%	-59%	-36%	-25%	-54%	-31%
2	106%	37%	57%	104%	36%	56%
3	63%	23%	38%	60%	23%	38%
4	48%	21%	33%	48%	21%	32%
5	39%	19%	28%	38%	19%	28%
6	32%	16%	25%	32%	16%	26%
7	30%	15%	26%	29%	15%	26%
8	28%	14%	26%	27%	14%	25%
9	25%	11%	24%	25%	11%	24%
10	17%	6%	17%	16%	6%	16%
All	26%	21%	25%	25%	21%	25%

Taxable Income and Tax Full Year Residents 2010 and 2011

Decile Group	2010						2011					
	Taxable Income			Tax Liability			Taxable Income			Tax Liability		
	\$ million	Average	% of Total	\$ million	Average	% of Total	\$ million	Average	% of Total	\$ million	Average	% of Total
1	\$0.2	\$4	0%	\$0.0	\$0	0%	\$0.2	\$4	0%	\$0.0	\$0	0%
2	\$64.0	\$1,202	0%	\$0.7	\$14	0%	\$70.0	\$1,306	0%	\$0.8	\$15	0%
3	\$220.6	\$4,142	2%	\$4.0	\$76	1%	\$234.7	\$4,378	2%	\$4.3	\$81	1%
4	\$405.6	\$7,617	3%	\$10.5	\$197	1%	\$425.9	\$7,944	3%	\$11.0	\$206	1%
5	\$639.5	\$12,009	5%	\$21.8	\$410	3%	\$664.7	\$12,397	5%	\$22.6	\$422	3%
6	\$917.3	\$17,225	7%	\$38.6	\$725	5%	\$953.1	\$17,775	7%	\$40.0	\$747	5%
7	\$1,199.2	\$22,519	9%	\$57.2	\$1,074	8%	\$1,258.6	\$23,474	9%	\$60.2	\$1,122	8%
8	\$1,570.7	\$29,494	11%	\$82.3	\$1,546	11%	\$1,656.7	\$30,897	12%	\$87.2	\$1,626	11%
9	\$2,173.2	\$40,808	16%	\$123.7	\$2,323	16%	\$2,302.8	\$42,948	16%	\$131.6	\$2,455	17%
10	\$6,475.5	\$121,597	47%	\$420.5	\$7,896	55%	\$6,748.9	\$125,867	47%	\$438.3	\$8,174	55%
All	\$13,665.8	\$25,662		\$759.5	\$1,426		\$14,315.6	\$26,699		\$796.1	\$1,485	

Income, Deductions, Credits, and Tax Liability

Tax As Percent of Adjusted Gross Income Full Year Residents 2010 and 2011

Decile Group	2010			2011		
	Montana Adjusted Gross Income	Tax Liability	Tax / Income	Montana Adjusted Gross Income	Tax Liability	Tax / Income
	\$ million	\$ million	%	\$ million	\$ million	%
1	-\$632.7	\$0.0	0.0%	-\$722.8	\$0.0	0.0%
2	\$301.8	\$0.7	0.2%	\$320.2	\$0.8	0.3%
3	\$560.0	\$4.0	0.7%	\$589.0	\$4.3	0.7%
4	\$833.3	\$10.5	1.3%	\$871.3	\$11.0	1.3%
5	\$1,129.5	\$21.8	1.9%	\$1,177.2	\$22.6	1.9%
6	\$1,469.6	\$38.6	2.6%	\$1,532.9	\$40.0	2.6%
7	\$1,882.6	\$57.2	3.0%	\$1,969.2	\$60.2	3.1%
8	\$2,392.7	\$82.3	3.4%	\$2,504.5	\$87.2	3.5%
9	\$3,165.0	\$123.7	3.9%	\$3,321.7	\$131.6	4.0%
10	\$8,075.4	\$420.5	5.2%	\$8,371.5	\$438.3	5.2%
All	\$19,177.2	\$759.5	4.0%	\$19,934.7	\$796.1	4.0%